



# Fiberweb (India) Limited

Manufacturers of : Spunbond Nonwoven Fabrics

30<sup>th</sup> October, 2017

**Dy. General Manager (Corporate Relation Dept.),**  
The Bombay Stock Exchange Ltd.,  
1<sup>st</sup> Floor, New Trading Ring, Rotunda Bldg.,  
P.J. Towers, Dalal Street, Fort,  
**MUMBAI – 400 001.**

Dear Sir,

Please find attachment regarding start of production of Melt Blown Line and update.

Thanking you,

Yours faithfully,  
**For FIBERWEB (INDIA) LIMITED**

**Pravin V. Sheth**  
**Chairman & Managing Director**  
**DIN: 00138797**

**Product is manufactured in the plant, where the Management system is certified for ISO 9001:2008, 14001:2004, OHSAS 18001:2007**

Mumbai : "KIRAN", Ground Floor, 128 Bhaudaji Road, Matunga, Mumbai - 400019.  
Phone : 91 (22) 2404 4855 / 76 / 2408 2689 / 90 Fax : 91 (22) 2404 4853  
Regd. Office: Airport Road, Kadaiya, Nani Daman, (U.T.) - 396 210.  
& Works Phone : 91 (260) 222 0766/0458/1458/1858/0958 Fax : 91(260) 2220758  
E-mail : fiberweb@vsnl.net, fiberweb@fiberwebindia.com  
Website : fiberwebindia.com



ISO9001:2008, 14001:2004, OHSAS18001:2007

**CIN NO. L25209DD1985PLC004694**



# Fiberweb (India) Limited

Manufacturers of : Spunbond Nonwoven Fabrics

## START OF TRIAL PRODUCTION OF MELT BLOWN LINE AND REPLIES TO INVESTORS QUERIES.

### MELT BLOWN LINE :-

We are pleased to inform our shareholders that after continuous guidance by foreign technicians, we have successfully taken out a trial production of the machine. Now we will be having proper testing of the product and send it to our customers in U.S.A. for the order. As we are known for the quality producers it took us some more time to ensure that the production is of the best quality. The foreign technician have shown their full satisfaction and will be leaving soon having completed their job. Though there is a delay in taking out production, now we are successful in taking out the best quality and can proudly send the samples to the customers for their orders. As informed earlier this is highly technological product and taking out the best quality, it took little more time. As informed earlier, our customers were actually waiting for us to send them the samples, so that they can send the orders, as such it is expected that the Company will receive the orders for the product and the line will be booked fully in advance. We thank our shareholders for their patience and co-operation in the matter.

The Company has its factory in Union Territory of Daman on 100' Coastal Highway on 20000 sq. meter of land and appex 150000 sq. feet of constructed shed. The State of Art German Machinery supplied by world renowned Reifen Hauser Gmph is RECOFIL II Double Beam Spun Bond Nonwoven plant with 5000 M Tons installed capacity. To meet USA customers demand Company has taken on lease 2500 M Tons Capacity also. Further your Company is pioneer in this field and being 100% EOU, largest exporter and a Star Export House. It has established its name as quality supplier in the international market. Recently U.K. market is also being explored as there is good opportunity due to Britex. Your Company's Quality Philosophy is exemplary as its is an ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and Oeko-Tex Standard 100, Company.

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Recently our shareholders who have shown interest in our Company and who were satisfied with their queries in the past, have pointed out that some recently published articles are misleading and published without proper knowledge and understanding. The awareness on the part of the shareholders, is really heartwarming and we heartily thank them for the same. The article is taking of all Red Flags about the Company.

The first one being refusal on the part of the Company to divulging names of the clients and also mentioning how much sales can be expected from new clients. Probably the writer is unaware that in U.S.A. it is a normal practice to have to have non-disclosure agreement with every vendor by the reputed companies and we are not supposed to disclose their name. In fact our main supplies are to Fortune 500 Companies of U.S.A. Further through oversight our Chairman had mentioned the name of Lowes and when Lowes came to know, the Company through our US Office had to apologize for such lapse and promise and assure that it will not happen in future. At present Company is unable to fulfill the requirements of present customers, as such there is no much need to expect business from new clients.

The Company had carried forward loss as per Income tax assessment of Rs. 48/- crores and till such time the profit will be adjusted against the loss. Further as per BIFR Order, Company is exempted from provision of MAT (Minimum Alternative Tax). It is therefore not liable to pay the income tax. This fact has been clarified to everybody and even in conference calls. It is actually beneficial to the Company as the Company is able to have profit available for its other uses including working capital and have not to borrow and pay interest.

The figures of 352% increase in expenses is totally 'UNTRUE'. The figures of other expenses for quarter ending June 2016 was Rs.12.54 crores and for quarter ending June 2017 is Rs.10.73 crores. The decrease in expenses is due to the conscious efforts by your Company to make Company more profitable by strict control on the expenses. In fact the knowledgeable and aware shareholders have appreciated this and conveyed on phone or during A.G.M. about this reduction.

This fact can be verified from published accounts and also Bombay Stock Exchange site. Further increase in Raw Material cost of 512% is also 'UNTRUE'. When sales increases the raw material cost increases and cannot be compared on merely figures. For the purpose of attaining more sales it may be necessary to accept the orders at little lower rate or give more incentive to the customers. What is most important is the bottom line which is more than double and our many shareholders have congratulated and appreciated the same. The prices of our Raw Material, Polypropylene are actually governed by many factors including crude oil prices and fluctuate, as such it is prudence of the Management to ensure proper profitability of the Company. It is true that Company imports its Raw Material namely, Polypropylene from world renowned Company Exxon Mobil, U.S.A. The Company has NO finance cost as it is a total DEBT Free Company and working capital requirements of the Company are financed by the internal accrual of profit. This is definitely a wise step and our shareholders are happy with the same.

As agreed before BIFR the strategic investor was to write-off more than Rs.100/- crores of debt only claiming amount paid by them for purchase of that debt once the preferential allotment of shares are done and quoted on Stock Exchange as per BIFR direction. Accordingly in the month of May 2016, this amount was written off and the net worth of the Company became positive as also it became Debt Free Company. This fact is reported time and again as also explained explicitly.

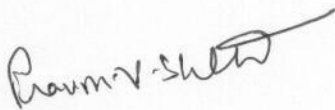
Promoters (Sheth Family) shareholding as on 31.03.2015 was 24,55,847 shares which increased to 47,61,507 shares on 31.03.2017. They do not and have never sold a single share of the Company. It is the strategic shareholder who had sold his share for his need and the Company have No control on the same.

It is true that the promoters of Fiberweb (India) Limited and Kunststoffe Industries Limited are same but they are two independent entities and are managed by different Board of Directors and run independently. Mrs. Soniya Sheth (Former Miss. Soniya Sharma) was actually managing the Company even before she married to Mr. Pravin Sheth. The factory of both companies are at different places in Daman, in fact at a distance of nearly One kilo meter.

Fiberweb factory is on 100' Coastal Highway while Kunststoffe Factory is on Airport Road. Both Companies are having their office on Leave and License basis from different companies in Mumbai at same building. The public shareholding of both companies are totally different. The technology and products of both the Companies are totally different.

Yours faithfully,

For FIBERWEB (INDIA) LIMITED

A handwritten signature in black ink, appearing to read 'Pravin V. Sheth', with a long horizontal stroke extending to the right.

Pravin V. Sheth

Chairman & Managing Director

DIN: 00138797